## TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

April 1, 2005 LR 2

use, which is why the standard of "any" is a little high, is a little too high. But I would acknowledge, it is not a direct application. For Senator Beutler's purposes, my reading of the operation of the language would be that by saying "primarily," the Legislature could be harder than that. We could...they could raise the standard, but they couldn't lower the standard below "primarily" and we wouldn't have the authority. And it would not be entrusted to us to make a definition which could undermine "primarily." Constitutionally, we wouldn't have the authority to be able to undermine the definition, but we could be tougher, which is I think the side of the scale that he wants to be on. I don't understand the fight. However, perhaps language along this line would be a little better. What if we were to say, instead of "primarily," "not used for more than incidental," "not used for more than incidental"? I think that covers the chapel in Bryan Memorial Hospital. I think it covers the situation in which there was a brief period of time in which, once a week for an hour, the Community Playhouse allowed an organization to do that. "Not used for more than incidental" I think would try to achieve, certainly higher than "primarily," but not as high as "any." Having a minister walk through, drop on one knee, genuflect and offer a prayer shouldn't stop the existence of the status of the tax-free bond. By the way, it's important to acknowledge that there is a difference between protecting the tax base here. This is not the property tax base. This is not the property tax base. What it is, is the income tax base. And if you are somebody who is out looking for tax-free bonds, you're going to find them. You'll find them lots of places. If you're out trying to shield income, you've got plenty of instruments to do this. My guess is that we're not going to see a big increase in tax-free investing because of this because those people are out in the marketplace. They're going to do it one way or the other. And it will influence, but I think very passingly, the income tax base, because it does create an instrument which is tax-free for the income taxpayer. However, if you are that sophisticated, there are plenty of these instruments that you can find to do it. With respect to the constitutional provisions in the "notwithstanding," it's true that Senator Chambers is accurate with respect to that one; however, there's another subsequent reason to use this language that doesn't have to do with what...the sections that Senator